

An Analysis of Employee Turnover
at XYZ Company

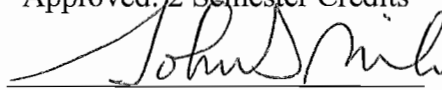
by

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A handwritten signature in black ink, appearing to read "John Dzissah", written over a horizontal line.

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ABSTRACT

Organizations today are facing a high employee turnover which can prove costly especially for small businesses. Due to this turnover the organization results in loss of production and an increase in the recruitment costs.

This is a field problem conducted at XYZ Company in southern Minnesota, U.S.A. Due to extremely competitive manufacturing environment, the company has requested they remain anonymous, henceforth to be referred to as the “XYZ” Company. The primary objective of the field project is to determine if the factors such as wages, benefit package, workplace conditions, characteristics and expectations of the job, HR practices, and performance of the organization have any impact on the employee turnover rate and will develop recommendations to the company. A questionnaire was developed by the company and administered to their current working employees. When the surveys were completed and returned, the data was entered into SPSS for analysis. The statistical analysis using frequencies, independent samples t-test were done using SPSS. The results

of the project gave insight on the employees have some considerations on shifts, work environment and previous work experience. There are also several limitations as well as future implications at the end of this study.

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Chapter I: Introduction

High employee turnover can prove costly to organizations, especially when considered for small businesses. Some employee turnover may positively benefit the organization, when a more effective employee replaces a poor performer (Oliver, 1998). Organizational stability has been shown to have a high degree of correlation with the employee turnover. Studies have proved that employees are more likely to stay where there is a predictable work environment (Zuber, 2001). The inverse of the relationship has also been found to be true. In organizations where there is a high level of inefficiency there is a high level of employee turnover.

The XYZ Company is located in southern Minnesota and has been in operation since 1946. The company is in the business of recycling all lead-bearing materials such as spent vehicle and industrial lead-acid batteries into valuable resources that benefit everybody. Recycled lead products are available for a wide range of uses such as sporting goods equipment, x-ray shielding, pipes and cable sheaths, roofing materials, and back up electrical power, etc. In its mission statement, the organization says it is always looking to improve its business processes. However, it is facing a high employee turnover rate, and the costs of turnover have a serious impact on the organization's survival. This research work provides a summary of information on the factors affecting the high employee turnover rate.

Statement of the problem

The Human Resource Department at XYZ Company needs to determine the factors contributing to the high employee turnover rate which is resulting in high recruitment costs and loss of productivity.

Purpose of the study

The purpose of the study is to identify the contributing factors for the high employee turnover rate at the XYZ Company. The study will investigate if the factors such as wages, benefit package, workplace conditions, characteristics and expectations of the job, HR practices, and performance of the organization have any impact on the employee turnover rate and will develop recommendations to the company.

Research Objectives

- 1) To determine whether the wages and benefit package has any impact on the employee turnover rate.
- 2) To analyze whether the work conditions in the shop floor has any impact on the employee turnover rate.
- 3) To determine whether the Human Resource practices have any impact on the employee turnover rate.
- 4) To find out whether the performance, characteristics and expectations of the job have any impact on the employee turnover rate.
- 5) To make recommendations to the company.

Significance of the study

This study is important to the Human Resource Department of the XYZ Company for the following reasons:

- 1) To identify which factors are contributing to the high employee turnover rate.
- 2) To determine some of the best methods to retain employees.
- 3) To reduce or eliminate some of the costs associated with the high employee turnover rate.

Assumptions of the study

- 1) The information collected by the company from their employees was a reliable measure of employee turnover during that period.
- 2) Information presented in the literature that the researcher reviewed and information gathered from the company was accurate.
- 3) The recommended solutions are based on the data gathered and on analysis.
- 4) The management is willing to commit to the changes in the system recommended by the study and the people are willing to accept it.

Limitations of the study

- 1) This research study is limited to turnover at XYZ Company.
- 2) The data gathered in this study are limited to employee turnover in the XYZ Company from the year 2004-2006.
- 3) Some of the data collected may be incomplete and is available for only some variables. The decisions, changes and recommendations developed from the data analysis may be to reduce the employee turnover but it will by no means deliver a final solution.

Definition of Terms

Current Employee: It refers to the employee, who is still working for XYZ Company as of December, 2006.

Recruiting: Obtaining qualified individuals for vacant positions through certain procedures.

Retention: The concept of maintaining or keeping current employees.

Termed Employee: It refers to the employee who either quit or had their employment terminated (fired).

Turnover: The termination of employment either voluntarily (quit) or involuntarily (fired).

Turnover Rate: The ratio of the number of employees left in the organization during a particular period to the total number of employees in that organization during that period (Price, 1977).

Chapter II: Literature Review

The term “turnover rate” is defined as the ratio of the number of employees left in the organization during a particular period to the total number of employees in that organization during that period (Price, 1977). Nowadays, employee turnover is proven to be very costly for a lot of companies in regard to lower paying jobs where there is a high employee turnover rate (Mobley, 1982). Many factors that contribute to the employee turnover rate of a given company may include wages like high-end and low-end, company benefits, profit sharing policy, employee attendance, and job satisfaction which plays a very significant role on employee turnover (Griffeth & Hom, 2001).

There is a strong correlation between improving the employee training and decreased turnover. Most of the studies state that when the employees undergo increased training, promotes them a high degree of job satisfaction, which in turn leads to lower employee turnover. Moreover businesses with strong communication systems enjoyed lower turnover staff resulting in high customer returns (Royalty, 1996).

Employees don't leave the organizations; they leave the managers. Excellent managerial skills play an important role in retaining the employees. In general, the employees are the customers that management should be most concerned. Management skills do matter in retaining employees and in extending their time of service. The management can yield maximum amount of performance from them as long as possible. The longer you keep peak-performing employees the organization can derive more value from their services (Chambers, 2001).

The most significant reasons why the employees leave the organizations:

- Lack of involvement in the decision-making process
- Poor communication

- Low pay and few benefits
- Unclear goals, objectives, and expectations
- Feeling unappreciated
- Repetition of work
- Poor management (Chambers, 2001, pp.309-310).

Costs of Employee Turnover

Companies incur both direct and indirect expenses while replacing a worker. These expenses include the cost of advertising, training, human resource costs, loss of production, advertisement costs, and customer retention (Mobley, 1982). In any given organization both direct and indirect costs are estimated and evaluated. Leaving costs, replacement costs, and transition costs of the employees are accounted for direct costs where as production loss due to low level of performance, low morale and unnecessary overtime come under indirect costs (Mobley, 1982).

The organization must understand that losing key employees has serious impact on organization's profitability and survival. There are a number of costs incurred as a result of employee turnover. These are:

- Recruitment costs such as advertising, screening and administrative expenses
- Loss of production due to the time required for a new worker to be set up
- Loss of productivity when coworkers spend their time to help a new worker
- Costs related to the period until voluntary termination when the workers tend to be less productive.

- Public relation costs where a large number of voluntary or involuntary terminations may spread gossip about the organization (Source: Sigma assessment systems).

Now-a-days, organizations are more and more employing temporary workers in the United States. Since the temporary workers are employed by work force agencies and they perform the work in client organizations and hence the temporary employee attitudes might affect the relations between temporary agencies and the client organizations. Managing these types of workers has become an important role for the managers in the client organizations (Greenberger, Heneman, Hippel, Mangum & Jeffrey, 1997).

It is also possible that a temporary employee who is committed to the temporary agency may feel less inclined to quit the client organization and vice versa. Job satisfaction with the client organization may cause more organizational commitment towards the temporary agency (Greenberger et al., 1997).

Griffeth and Hom (2001) stated that employees leave the company whenever they become dissatisfied with the work or lose their commitment with the organization. Some employees leave soon after making this decision, whereas others make a job search and feel that the employment elsewhere are good and superior to their present job and then they will quit.

Compensation

Compensation professionals and turnover scholars evenly consider that competitive pay and benefits are essential for attracting employees and reducing the turnover (Griffeth & Hom, 2001). Skill-based pay also rewards employees for the depth, breadth or the skills they obtain and apply to their work. It differs from conventional job-based pay by basing wages on what employees know rather than on what they are doing. In these cases, employees receive pay raises

for increasing depth of knowledge in a professional or technical job or expanding breadth of knowledge of multiple jobs in a continuous-process technology or manufacturing assembly.

Causes of High Turnover

There are various factors that contribute to high turnover in a company. Mobley (2001) stated that the causes of turnover are related to the same factors that also contribute to absenteeism and low morale. Roseman (1981) stated that when workers were not interested in their jobs they either stayed away or left the job. Some other factors that lured away workers included higher pay, better benefits, or better job growth potential. It is not an easy task to control the happenings in other companies with respect to their pay and the benefits they offer and their way of functioning, but employees can be made happy and more productive by changing the way of functioning (Mobley, 2001). When employees' values match those of their coworkers and superiors, employees report higher levels of satisfaction. When an employee's values match those of an organization and with their coworkers, the values are said to be congruent. This suggests that the level of value congruence between employees and the organization is positively related to job satisfaction and organizational commitment (Amos & Weathington, 2008).

Some of the reasons that contribute to high employee turnover include:

Mismatch between employee's skills and the job. It is seen that employees who are placed in jobs and their skills are not utilized properly are more inclined to be discouraged and hence end up quitting. Therefore, it is very important to study the requirements of the specific job, analyze the skills and workers should be tested for the requisite qualifications (Roseman, 1981).

Improper facilities, equipment or tools. If workplace lacks proper facilities like proper lighting, furniture, restrooms or other basic amenities employees might not be able to keep up the inconvenience for long.

Lack of growth opportunities. Employees should always be motivated in order to perform better and keep them at the workplace. Job should be described very precisely to the employee thereby not giving them false hopes about career growth and advancement.

Not being appreciated at workplace. Employees want to be recognized and appreciated for their work. It is always a good practice to recognize the good work of the employee and keep them motivated.

Lack of Training and Supervision. Employees also need direction and guidance. Extra training is very much needed in learning an unfamiliar job. Absence of a good training program may lead the workers to fall behind in their performance and also make them feel that they lack in the abilities to do a better job.

Unequal wages. Unequal pay or low wages would also cause dissatisfaction and make some employees to quit. Every employee want to be treated in the same way to have a wage and job evaluation system and it is a good practice for the company to comply with equal pay for equal work requirements to avoid this kind of problem.

Relationships. When the employees are under extreme pressures at work, relationships get strained, hence making the work environment inhospitable. Some examples include deadlines, bottlenecks, crisis, budget shortfalls, and competitive threats –all these create pressures disrupting smooth working relationships (Roseman, 1981).

Demographic factors

Age. Mobley (1982) stated that younger employees are more likely to leave the

company. The age turnover relationship is based on a number of influences such as being single or less family responsibilities making them to move from one job to another.

Education. Mobley (1982) stated that neither a strong nor consistent relationship is found between education and turnover.

Referral. According to Mobley (1982), employees referred by informal sources such as employees or relatives, may have lower turnover than employees referred by more formal sources such as employment agencies and advertising.

Absenteeism. In relation to turnover, absenteeism usually has some consequences for the individual. If an employee has higher absences it might indicate that they are actively searching for another job (Mobley, 1982).

Consequences of Employee Turnover

Mowday, Porter and Steers (1982) stated that the consequences of turnover are of three types: individual, work group, and organization.

Individual. People who leave organizations are often attracted to other jobs by higher pay and better opportunities for career growth. Employees with job skills and abilities which are in good demand are more likely to benefit from decisions to change jobs (Mowday et al., 1982).

Consequences for work groups. If an employee leaves, his or her work may have to be divided among remaining group members until a replacement is found. The work has to be shared by remaining members may require higher levels of cooperation and coordination of efforts to ensure that total effectiveness of the group is not disturbed. The added burden shared by group members may bring the group closer together and thus increase cohesiveness.

Until replacements are quickly found, the group members may be forced to take on the work load of the person who is leaving. The increased work load shared by the members of the

group may show dissatisfaction and may decrease the overall effectiveness of the group. The groups also have to spend time in socializing and training the new member. Time spent by the group members in training and socializing may increase the time to finish the tasks given by the organizations (Mowday et al., 1982).

Consequences for Organizations. The negative consequences of the turnover for organizations are the administrative costs associated with the turnover. It results in recruitment expenses-selection, training, and development. The organizations have to maintain large personnel departments to handle the termination process for employees who leave and the hiring process for replacements. There is a loss of productivity until the new employee has been hired and mastered the job. Replacing a high performing employee is likely to be more difficult than replacing a low performer without a decrease in overall performance (Mowday et al., 1982).

Mowday et al., (1982) stated that the turnover has been viewed as a demoralizing effect on current employees and a negative effect on prospective employees. The resignation of a leader may raise questions in the organization. When turnover is among key personnel or groups, the resignations may be a source of considerable speculation and rumors among remaining employees. It may impact negatively if dissatisfied employees who leave are vocal about their feelings toward the organization.

In certain circumstances, the employee turnover may prove beneficial to organizations

Organizational factors: Organizational instability is directly proportional to turnover. The study shows that employees are more likely to stay where there is a predictable work environment and vice versa (Zuber, 2001). In addition to low productivity, there can be poor quality of products and services due to high turnover. Moreover, turnover indicated a major source of poor morale in many organizations. Employees must be given a chance about the decision making.

Organizations with strong communication systems and commitment enjoyed lower turnover of staff (Labov, 1997). Labov states that employees feel comfortable to stay longer if they are involved in some part of decision-making process. There is a high labor turnover because of poor personnel policies, poor recruitment policies, poor supervisory practices, and lack of motivation. These are all the factors which contribute to the high employee turnover where no proper management practices and policies are followed and hence employees are not recruited scientifically. Some companies do not follow promotions of employees and no grievance procedures in place and thus employees decide to quit.

Chapter III: Methodology

Employee turnover is a costly expense especially with lower pay jobs. The impact of turnover has received considerable attention by human resource professionals of the XYZ Company. The Company had developed a questionnaire to identify employee's perception in working for that company. The objectives and methodology were all based on the questionnaire developed by the company. This section will address the subjects selected, the instruments used and the data collection procedures followed, the data analysis conducted and the limitations of the study.

Subject Selection and Description

All the employees of the company were allowed to fill up an application form at the time of hiring between November 2004 and December 2006 and that general information is collected from the human resource professionals of the company by the researcher. The company also developed and administered a survey for the current working employees in January 2007, who can help human resources in ways to reduce employee turnover and improve on their recruiting efforts.

Instrumentation

A questionnaire was developed by the company to collect the data from the current employees. The instrument contained questions on previous work experience, geographical, recruitment, genetics/physical, lifestyle, responsible, education/skills, interpersonal, and job environment questions.

Data collection procedures

The information which had been completed by all the employees of the company was handed over to the researcher by the training manager of the XYZ Company. Also, the

questionnaire which has been answered by the current new employees was also handed over to the researcher. The data was easy to collect because the company already had all the employee records in their database.

Data Analysis

The data was analyzed using SPSS 16.0 software. Since the employees in the current and termed groups were hired during the same period and given similar jobs, comparisons between the two groups might yield useful information. Independent samples t-test was done between current and termed employees for absenteeism, tardiness, past job wage, and descriptive statistics between current and termed employees for department, shifts, education, training, and ethnic background were determined.

Limitations

The data set for termed employees contains only the information which had been completed by the employees while joining the company. Also, if the company would have taken exit interviews from the termed employees, that information would have a significant effect on the data. The data set contains only information from the employees who have been hired between November 2004 and December 2006.

Chapter IV: Results

The objective of this study is to examine the causes of the turnover based on the data collection and analyzing the interpretations of the data which can help the company to focus on their recruiting efforts.

Descriptive statistics between Current and Termed employees

Category by Department

During the period between November 2004 and December 2006 there were a total of 45 employees either quit or had their employment terminated and a total of 38 employees who were still working for XYZ Company as of December 2006. Out of the 45 termed employees, 51.1% (n=23) were from Refining department while 42.2% (n=19) and 6.7% (n=3) are from furnace and raw material processing center (RMPC) departments respectively as shown in Table 1. Out of 38 current new employees, 52.6% (n=20) were from Refining department while 36.8% (n=14) and 10.5% (n=4) are from furnace and RMPC departments respectively and are shown in Table 2.

Table 1

Termed employees by Department

Department	No. of Employees	Percentage
Refining	23	51.1%
Furnace	19	42.2%
RMPC	3	6.7%

Table 2

Current employees by Department

Department	No. of Employees	Percentage
Refining	20	52.6%
Furnace	14	36.8%
RMPC	4	10.5%

Category by Shift

Table 3 illustrates that fifty percent of (n=22) employees were termed working in the night shift department and 47.7% (n=21) employees were termed working in the afternoon shifts. This indicates that most of the employees would prefer working in the day shifts or afternoon shifts and at the same time 44.7% (n=17) are the current employees working in the night shifts and 47.4% (n=18) and 7.9% (n=3) of the current employees are working in the afternoon and day shifts respectively.

Table 3

Termed employees by shift

Shift	Frequency	Percentage
Days	1	2.3%
Afternoons	21	47.7%
Nights	22	50.0%

Table 4

Current employees by shift

Shift	Frequency	Percentage
Days	3	7.9%
Afternoons	18	47.4%
Nights	17	44.7%

Category by Education

Considering education as a variable for the employee turnover between current and termed employees the table 5 shows that, only 63.9% (n=53) of employees have their responses on education. Table 5 indicates that the termed employees with post-secondary education are more when compared to employees with not having post-secondary education.

Table 5

Category by Education

Education	Current employees	Termed employees	Total
Not Post-secondary	16	5	21
Post-secondary	20	12	32

n=53

Category by Ethnic Background

Nearly sixty percent (n=27) of the employees who were termed between November 2004 and December 2006 are white and 40% (n=18) of the employees who were termed were non-white. This indicates that non-white people are less likely to get termed when compared to other group.

Table 6

Category by Ethnic Background

Employee type	Non-White	White	Total
Current employees	16	22	38
Termed employees	18	27	45

*Performance and characteristics of the employees**Category by Number of Absences, Tardiness, Last job wage*

- 1) Absences
- 2) Tardiness
- 3) Last job wages

Table 7 indicates that the termed employees group had significantly more absences when compared to current employees group in the first 90 days. Termed employees averaged 3.35 absences in their first 90 days and current employees averaged 1.09 days during that period. There are also significant differences in terms of number of absences between current and termed employees. As the p-value is less than 0.05, ($P=0.000$), the termed group had significantly more absences and the relation is also moderately strong (Pearson correlation=0.601). The means of the current employees and termed employees are close but there were no significant differences between current and termed employees in terms of number of tardiness. The last job wages of current and termed employees did not yield significant differences, however not much data is available in the termed group about the previous job wage.

Table 7

Category by Number of Absences, Tardiness, Last job wage

Factor	Employee type	N	Mean	Std. Dev.	t	df	Sig. (2-tailed)
Number of Absences	Current	35	1.06	1.083	-5.928	62	0.000
	Termed	29	3.34	1.951	-5.636	41.8	0.000
Number of Tardiness	Current	35	0.8	0.933	0.447	62	0.656
	Termed	29	0.7	1.039	0.443	56.9	0.656
Last Job wage	Current	30	12.08	3.29	-1.137	41	0.262
	Termed	13	13.32	3.25	-1.143	23.1	0.265

Category by Age

Considering the age as one of the factor, being under 30 a factor for employee turnover.

The frequency table indicates that only fifty three percent (n=44) of the data is available to analyze.

Table 8

Category by Age

Age at hire	Current	Termed	Total
30 and Below	15	8	23
30 and Above	12	9	21
Total	27	17	44

Forklift Experience

Sixty four percent (n=53) of the employees have indicated whether they have forklift experience or not. The following information gives statistics of current and termed employees having forklift experience or not. Almost fifty percent of the employees who had forklift experience were also termed.

Table 9

Category by Forklift experience

Forklift Experience	Current	Termed	Total
No	16	8	24
Yes	20	9	29
Total	36	17	53

Number of jobs in the last 5 years

Only thirty eight percent (n=17) of the data is available from the termed employees whereas ninety four percent (n=36) of the data is from Current employees about the number of jobs in the last 5 years. Most of the current new employees had two or fewer jobs in the past five years before joining XYZ Company. This is the group that the company should target while selecting and reviewing the applications.

Table 10

No. of jobs	Current employees	Termed employees
0	0	1
1	10	3
2	10	4
3	16	9
Total	36	17

Descriptive Statistics for Current Employees

Of all the current employees approximately eighty two percent (n=31) of the employees have manual labor experience and nearly sixty six percent (n=25) of the employees have indicated that they have previous factory/manufacturing experience. The following table indicates that more than seventy percent (n=27) of the employees have used safety glasses and steel toe boots while at work in their previous jobs. Also, more than sixty-five percent of the employees received their choice of shifts previously.

Table 11

Factor	No	Yes	Missing	Percentage of 'No'	Percentage of 'Yes'	Total
Manual Labor	3	31	4	7.9%	81.6%	38
Union Experience	14	20	4	36.8%	52.6%	38
Factory Experience	9	25	4	23.7%	65.8%	38
Construction Experience	24	10	4	63.2%	26.3%	38
Previously required Steel toe boots	2	32	4	5.3%	84.2%	38
Previously required Safety glasses	7	27	4	18.4%	71.1%	38
Previously required Hard hat	15	19	4	39.5%	50%	38
Previously Required respirator	25	9	4	65.8	23.7%	38
Choice of shift	9	25	4	23.7%	65.8%	38
Worked with Hazardous materials	8	26	4	21.1%	68.4%	38

Previous job working with hazardous material

Nearly seventy percent (n=26) of the employees have responded working with hazardous materials. Therefore, the company should hire employees having work with hazardous materials.

Environmental Work Temperatures

Most of the employees indicated that they had worked in more than 80 degree Fahrenheit. Thirty six (n=12) percent of the employees indicated that they have worked more than 100 degree Fahrenheit while 18.4% (n=7) and 24% (n=9) of the employees have indicated that they worked above 90 degrees and 80 degree Fahrenheit respectively. Eighteen percent (n=8) of the employees did not indicate any results on the temperatures. Therefore they should hire employees who have worked in temperatures more than 80 degrees Fahrenheit.

Number of years at last job

Nearly forty five percent (n=17) of the current employees worked for 1-3 years in their last job while twenty percent (n=8) and eighteen percent (n=7) of the employees worked for 3-4 years and 5 and more years respectively.

Years in Minnesota

Of the current employees, sixty four percent (n=24) lived in Minnesota for more than 4 years while ten percent each (n=4) of the employees lived for 1-2 and 2-3 years respectively.

Learning style at time of hire

Nearly eighty percent (n=30) of the employees have indicated that they prefer hands-on training.

Supervisor friction

Of all the current employees, sixty five percent (n=24) have indicated that they never experienced supervisor friction and each five percent of the employees have experienced supervisor friction in 0-3 weeks, 3 weeks – 3 months, 3-6 months respectively.

Table 12

Adequacy of training received in 0-3 weeks

Training Experience	Frequency	Percentage
Poor	2	5.3%
Below Average	4	10.5%
Average	20	52.6%
Above Average	6	15.8%
Excellent	2	5.3%
Missing	4	10.5%

Approximately fifty three percent (n=20) have responded that the training they received were average and nearly sixteen percent (n=6) and six percent (n=2) have indicated the training received was above average and excellent respectively. Also, nearly eleven percent (n=4) and six percent (n=2) have indicated that the training received in 0-3 weeks was below average and poor respectively.

Working weekend a concern

Of all the current working employees, nearly forty four percent of the employees responded that they have a concern working in the weekend and at the same time the same percentage of employees do not have concerns working in the weekend.

Table 13

Weekend Concern	Frequency	Percentage
Yes	17	44.2%
No	16	42.1%
Missing	5	13.2%

Benefits

Table 14 indicates that, nearly twenty percent (n=8) and twenty six percent (n=10) have responded that the benefits were above average and excellent respectively. Also, twenty six percent (n=10) and thirteen percent (n=5) have indicated that the XYZ's benefits were average and below average respectively.

Table 14

Criteria	Frequency	Percentage
Below Average	5	13.2%
Average	10	26.3%
Above Average	8	21.1%
Excellent	10	26.3%
Missing	5	13.2%

Waiting to receive the Benefits

Of all the current working employees, nearly forty two percent (n=16) have indicated that waiting for six months is definitely a concern on the benefits.

Table 15

Criteria	Frequency	Percentage
Neutral	8	21.1%
Not Significant	6	15.8%
Somewhat Significant	4	10.5%
Very Significant	16	42.1%
Missing	4	10.5%

Chapter V: Conclusions

The purpose of this project was to analyze the factors contributing to the high employee turnover rate at XYZ Company. This was accomplished when the company surveyed their employees about work experience, geographical, and job environment. The results of the project did not provide significant insight into the reasons for turnover because of the small proportion of data from termed employees. In most comparisons only 15 to 17 of the 45 termed employees had data. The rest of this section will discuss the major conclusions of the research as well as recommendations for the Company XYZ.

Discussions

The researcher examined the factors associated with the high employee turnover and analyzed on improving the recruiting efforts of the Company XYZ. The most common type of previous work experience was general labor and most of them worked in the factory or manufacturing field. Most of the current working employees indicated that they had worked in hazardous materials in their previous experience. Therefore, the Company must make sure they screen candidates who have experience working with hazardous materials as one of the criteria in the selection procedures. Also, they should hire employees who have worked in temperatures more than 80 degrees Fahrenheit.

Current employees and termed employees had concerns working with night shifts and weekends. Considering the education, the data points indicate that those with post secondary education are more likely to get termed when compared to employees without post secondary education. Because employees with post-secondary education think this is a temporary job and

move if something better comes later. When looking at the ethnicity, most of the whites were termed this suggests that the XYZ Company can focus more on recruiting other ethnicities.

The termed employees had significantly more absences when compared to current employees. Most of the employees with more than three absences in their first 90 days were either quit or termed.

Also, the last job mean wages for current and termed employees is less when compared to what the XYZ Company is paying. Although, the XYZ Company is paying more to the employees when compared to their previous job mean wages but still the employees are getting termed. When considering 'age' as the factor, not much data is available to analyze in termed groups. However, employees aged below 30 were more when compared to the other group aged 30 and above at XYZ Company. Almost fifty percent of the employees in termed group had forklift experience and remaining percentage does not have forklift experience. Since there is not enough data available it is difficult to consider whether a new employee should have forklift experience or not. A majority of employees prefer hands on learning, so if the company gives more hands on training which is beneficial for the company so that the employees may stay longer. Most of the current employees had two or three jobs in the past five years before joining the XYZ Company. Therefore, the company should target these groups in their recruiting procedures while selecting and reviewing the applications.

Most the employees who lived in Minnesota are current working employees who had better ratings and this data is from Current employees only. However, there is not much data to analyze for the termed group employees.

In general, employees are satisfied with the XYZ Company benefits (Cafeteria plan, Paid time off, Holidays, 401(k)) and some employees have concerns getting their benefits early.

Conclusions

The results of the study indicate that most of the employees had concerns working with night shifts and some employees think this one as a temporary job and move if something better comes later. However, the research did not provide significant insight into the reasons because of the small proportion of data from termed employees.

Recommendations

The Company might want to focus on employees who have experience working with hazardous materials and have previous forklift experience. The survey could also be modified in order to focus more on job related and work experience questions to serve the needs of the company at the given time.

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Appendix A: IRB Approval

Your project, "*Analysis of Employee Turnover rate at XYZ Company*" is **Exempt** from review by the Institutional Review Board for the Protection of Human Subjects. The project is exempt under **Category 4** of the Federal Exempt Guidelines and holds for 5 years.

Please copy and paste the following message to the top of your survey form before dissemination:

<p>This project has been reviewed by the UW-Stout IRB as required by the Code of Federal Regulations Title 45 Part 46</p>

Appendix B: Employee Survey

Note: The Company name has been changed to XYZ Company by the researcher for the reasons of confidentiality.

The last few months, the human resources team has been working on this project taking a very close look at ways to reduce the employee turnover and improve on our recruiting efforts. In order for the team to reach this goal we need your help. Please complete the following survey with honest/truthful responses. The time that it takes you to complete this survey will be paid time. When answering, all questions should be considered Pre-XYZ. Select ONLY one option pre question unless the question notes otherwise.

Previous Work

Did you have previous manual laborer experience?

1. Yes
2. No

Did you have previous union experience?

1. Yes
2. No

Types of Jobs Prior to XYZ – Select all that apply?

1. Cook
2. Factory/Manufacturing
3. Construction/Landscaping
4. Retail
5. Telemarketer
6. Health Care
7. Other

Had you ever worked in a job prior to XYZ with environmental temperatures hotter than?

1. 80 degrees
2. 90 degrees
3. 100 degrees
4. Above 100 degrees
5. Not Applicable

Had you ever been required to wear PPE similar to that of XYZ prior to XYZ?

1. Steel toed boots
2. Steel toed boots, safety glasses
3. Steel toed boots, safety glasses, hard hat
4. Steel toed boots, safety glasses, hard hat, respirator
5. Steel toed boots, safety glasses, hard hat, respirator, Tyvek

Did you get your first choice of shift (not to include day shift) at hire?

1. Yes
2. No

In previous jobs/positions did you work with hazardous materials?

1. Yes
2. No

How many years did you work at your last job?

1. 5 + years
2. 3 – 4 years
3. 1 – 3 years
4. 0 – 1 years
5. No previous Work Experience

Geography

How many years had you lived in MN at the time of hire?

1. 5 or more years
2. 3 to 4 years
3. 1 to 2 years
4. Less than a year
5. None resident of MN

Home state at hire

1. _____
2. Not Applicable

What was the distance from XYZ to your residence at the time of hire?

1. Less than 10 miles
2. 10 – 20
3. 21 – 30
4. 31 – 40
5. 41 +

What were your living arrangements at your time of hire?

1. Own
2. Rent
3. Rent free with family/friends
4. Transitional home
5. Homeless

Recruitment

Was a relative working at the company at the time you were hired?

1. Yes
2. No

Found XYZ through which newspaper ad:

1. Employment News
2. Employment Guide
3. Job Dig
4. Star Tribune
5. Pioneer Press
6. Other/Not Applicable

Found XYZ through which online ad:

1. Career Builder
2. Work Avenue/Jobs.com
3. MN Job Bank
4. Other/Not Applicable

Genetics/Physical

What was your weight at hire?

1. Significantly underweight
2. Slightly underweight
3. Average
4. Slightly overweight
5. Significantly overweight

What was your physical fitness at hire?

1. Below average
2. Slightly below average
3. Average
4. Slightly above average
5. Above average

What was your immigration status at hire?

1. Born US Citizen
2. Immigrate 10 or more years ago
3. Immigrate 5 or more years ago
4. Immigrate 1 or more years ago
5. Immigrate less than 1 year

What is your country of birth?

1. United States
2. Central America
3. Africa
4. Asia
5. Other _____

Life Style

What was your favorite pastime at hire? (Select only one answer)

1. Arts and Crafts
2. Travelling/Outdoor Recreation – Hunting, Fishing, Camping/Hiking, etc.
3. Movies
4. Reading
5. Watching/Playing Sports
6. Video Games

What do you think of UFC (Ultimate fighting championship) at time of hire?

1. Participate or would like to participate
2. Big Fan
3. Take it or leave it
4. No interest
5. Not sure what it is

What was your primary vehicle at hire?

1. Sport Utility Vehicle
2. Truck
3. Sedan
4. Sports Car
5. Compact Car
6. Public Transportation

What type of motorcycle do you ride?

1. Crotch Rocket
2. Moped/Scooter
3. Harley Cruiser
4. Gold Wing
5. Other
6. None

Do you do some of your own auto maintenance?

1. Yes
2. No

What was your favorite type of music at hire? (Select only one answer)

1. Country
2. Rock n Roll
3. Rap/Hip Hop
4. Heavy Metal
5. Classical
6. Cultural

Were you smoker at hire?

1. 3+ packs a day
2. 2 packs a day
3. 1 / 2 pack or less a day
4. Occasional / Social Smoker
5. Nonsmoker

What was your favorite type of food at hire? (Select only one answer)

1. Italian
2. Mexican
3. Asian
4. American
5. Greek/Mediterranean

Did you use the internet at hire?

1. Every day
2. Few times a week
3. Few times a month
4. Few times a year
5. Never or hardly ever

Are you scared of heights?

1. Yes
2. No
3. Not Sure

Are you claustrophobic?

1. Yes
2. No
3. Not Sure

Responsible

What was your marital status of hire?

1. Single
2. Married
3. Domestic Partner
4. Divorced

What was the number of children you had at the time of hire?

1. Zero
2. One
3. Two
4. Three
5. Four or More

What was your criminal record at the time of hire?

1. Felony or Misdemeanor more than 5 years ago
2. Felony or Misdemeanor less than 5 years ago
3. Zero Felony or Misdemeanors

Education/Skills

What special training/skills did you hold at the time of hire? (Select only one answer)

1. Forklift
2. Heavy Equipment
3. Welding
4. Electrical
5. Other

What was your learning style at the time of hire?

1. Hands on
2. Observing
3. Reading instructional information
4. Listening

Orientation/training on day shift was inconvenient for me and my family at hire?

1. Yes
2. No

While at XYZ.....

Interpersonal

Did you experience supervisor friction – Select all that apply:

1. 0 – 3 weeks
2. 3 weeks – 90 days
3. 91 days – 6 months
4. 6 months – 1 year
5. Never
6. Continuously

Adequacy of training received 0 – 3 weeks:

1. Excellent
2. Above Average
3. Average
4. Below Average
5. Poor

Adequacy of training received 3 weeks – 90 days:

1. Excellent
2. Above Average
3. Average
4. Below Average
5. Poor

Experience first day on shift:

1. Excellent
2. Above Average
3. Average
4. Below Average
5. Poor

Job Environment

Is it a concern for you having to work weekends?

1. Yes
2. No

First department assigned to hire?

1. Furnace
2. Refining
3. RMPC
4. Shipping and Receiving
5. Maintenance
6. General Plant

How significant of an issue was it for you to wait six months for benefits?

1. Very significant
2. Somewhat significant
3. Neutral
4. Not significant

How would you rate XYZ's benefits (Cafeteria Plan, Paid Time Off, Holidays, 401 (k), Etc.) at the time of hire

1. Excellent
2. Above Average
3. Average
4. Below Average
5. Poor.

Thank You for completing this survey. Please make sure to hand this to a human resources representative and get your thank you prize for completing this survey.